

**CENTERS AGAINST ABUSE AND
SEXUAL ASSAULT
SPENCER, IOWA**

**INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS**

JUNE 30, 2013 AND 2012

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA**

TABLE OF CONTENTS

	Page
Officials and Board of Directors	1
Independent Auditors' Report	2-3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7-8
Notes to Financial Statements	9-15
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	16-17
Schedule of Findings	18-19

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA**

OFFICIALS AND BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Deb Eastin	President	July 2013
Kathy Wulf	Vice-President	July 2013
Bev Juhl	Secretary	December 2015
Deb Dunn	Treasurer	October 2013
Barb Workman	Board Member	July 2013
Pamela Carpenter	Board Member	July 2013
Kathy Fueston	Board Member	August 2015
Julie Schulenberg	Executive Director	Indefinite

BURKHARDT & DAWSON

Certified Public Accountants

**DONNA R. BURKHARDT, CPA
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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Centers Against Abuse and Sexual Assault
Spencer, Iowa**

We have audited the accompanying statements of financial position of Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows and the notes to the financial statements for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centers Against Abuse and Sexual Assault as of June 30, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2013 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Centers Against Abuse and Sexual Assault's internal control over financial reporting and compliance.

BURKHARDT & DAWSON, CPA's


Certified Public Accountants

Cherokee, Iowa
November 4, 2013

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash in Bank and Cash on Hand	\$ 242,582	\$ 200,642
Certificates of Deposit	47,861	42,318
Receivables – Federal Grants	43,913	31,179
Receivables – State Grants	48,767	31,613
Accrued Interest Receivable	323	346
Health Insurance Tax Credit Receivable	699	4,419
Prepaid Expenses	<u>780</u>	<u>739</u>
TOTAL CURRENT ASSETS	<u>\$ 384,925</u>	<u>\$ 311,256</u>
PROPERTY AND EQUIPMENT:		
Land	\$ 108,000	\$ 108,000
Buildings and Improvements	666,869	666,869
Equipment and Furniture	<u>59,664</u>	<u>42,983</u>
TOTAL	<u>\$ 834,533</u>	<u>\$ 817,852</u>
LESS – Accumulated Depreciation	<u>(311,661)</u>	<u>(288,584)</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 522,872</u>	<u>\$ 529,268</u>
OTHER ASSETS:		
Certificates of Deposit	<u>\$ 87,113</u>	<u>\$ 90,827</u>
TOTAL OTHER ASSETS	<u>\$ 87,113</u>	<u>\$ 90,827</u>
TOTAL ASSETS	<u>\$ 994,910</u>	<u>\$ 931,351</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 8,391	\$ 5,609
Accrued Payroll Taxes and Benefits Payable	3,842	4,057
Accrued Salaries Payable	17,717	15,863
Accrued Compensated Absences Payable	<u>6,763</u>	<u>12,292</u>
TOTAL CURRENT LIABILITIES	<u>\$ 36,713</u>	<u>\$ 37,821</u>
NET ASSETS:		
Unrestricted:		
Designated by Board	\$ 97,214	\$ 95,690
Available for Operations	860,983	797,840
TOTAL UNRESTRICTED	<u>\$ 958,197</u>	<u>\$ 893,530</u>
TOTAL NET ASSETS	<u>\$ 958,197</u>	<u>\$ 893,530</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 994,910</u>	<u>\$ 931,351</u>

See accompanying notes to financial statements

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT:		
Grants:		
Federal	\$ 182,451	\$ 222,707
State	197,255	161,015
Contributions:		
Local Governments	39,848	45,227
Fund-Raising Income	46,815	28,544
Other	65,964	58,784
Value of Contributed Services, Facilities and Materials	<u>113,863</u>	<u>100,408</u>
TOTAL PUBLIC SUPPORT	<u>\$ 646,196</u>	<u>\$ 616,685</u>
REVENUES:		
Sales	\$ 62,927	\$ 66,767
Interest	1,850	869
Miscellaneous	168	244
Health Insurance Tax Credit	<u>699</u>	<u>1,404</u>
TOTAL REVENUES	<u>\$ 65,644</u>	<u>\$ 69,284</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 0</u>	<u>\$ 7,568</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 711,840</u>	<u>\$ 693,537</u>
EXPENSES:		
PROGRAM SERVICES:		
Shelter Expenses	\$ 607,292	\$ 614,172
SUPPORT SERVICES:		
General and Administration	<u>39,881</u>	<u>42,752</u>
TOTAL EXPENSES	<u>\$ 647,173</u>	<u>\$ 656,924</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 64,667</u>	<u>\$ 36,613</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Interest	\$ 0	\$ 91
Net Assets Released from Donor Restrictions	<u>0</u>	<u>(7,568)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 0</u>	<u>\$ (7,477)</u>
TOTAL CHANGE IN NET ASSETS	<u>\$ 64,667</u>	<u>\$ 29,136</u>
NET ASSETS AT BEGINNING OF YEAR	<u>893,530</u>	<u>864,394</u>
NET ASSETS AT END OF YEAR	<u>\$ 958,197</u>	<u>\$ 893,530</u>

See accompanying notes to financial statements

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

		<u>2013</u>	
	<u>PROGRAM</u>	<u>GENERAL</u>	
	<u>EXPENSES</u>	<u>AND</u>	
		<u>ADMINI-</u>	<u>TOTAL</u>
		<u>STRATIVE</u>	
Salaries	\$317,579	\$ 13,812	\$331,391
Payroll Taxes	31,701	1,379	33,080
Fringe Benefits	<u>8,933</u>	<u>388</u>	<u>9,321</u>
Total Personnel Expenses	\$358,213	\$ 15,579	\$373,792
Contributed Services, Facilities and Materials	113,863	0	113,863
Dues and Subscriptions	2,411	0	2,411
Fund-Raising Expenses	13,222	0	13,222
Insurance	16,438	0	16,438
Miscellaneous	3,394	0	3,394
Supplies	2,634	326	2,960
Postage	782	260	1,042
Printing and Advertisements	1,076	133	1,209
Contracted Services	950	0	950
Professional Fees	0	17,365	17,365
Rent	9,238	0	9,238
Equipment Rent	4,392	0	4,392
Repairs	5,285	0	5,285
Shelter Expenses	253	0	253
Staff Training	1,036	0	1,036
Telephone	6,827	844	7,671
Travel	16,121	5,374	21,495
Utilities	17,734	0	17,734
Homeless Prevention	<u>10,346</u>	<u>0</u>	<u>10,346</u>
TOTAL EXPENSES BEFORE DEPRECIATION	\$584,215	\$ 39,881	\$624,096
Depreciation	<u>23,077</u>	<u>0</u>	<u>23,077</u>
TOTAL EXPENSES	<u>\$607,292</u>	<u>\$ 39,881</u>	<u>\$647,173</u>

See accompanying notes to financial statements

<u>2012</u>		
<u>PROGRAM</u> <u>EXPENSES</u>	<u>GENERAL</u> <u>AND</u> <u>ADMINI-</u> <u>STRATIVE</u>	<u>TOTAL</u>
\$340,093	\$ 14,792	\$354,885
31,202	1,357	32,559
<u>15,930</u>	<u>693</u>	<u>16,623</u>
\$387,225	\$ 16,842	\$404,067
100,408	0	100,408
2,678	0	2,678
7,501	0	7,501
19,472	0	19,472
4,432	0	4,432
2,824	349	3,173
863	288	1,151
209	26	235
2,507	0	2,507
0	18,902	18,902
7,899	0	7,899
2,445	0	2,445
8,700	0	8,700
1,813	0	1,813
1,115	0	1,115
7,300	902	8,202
16,331	5,443	21,774
17,104	0	17,104
<u>425</u>	<u>0</u>	<u>425</u>
\$591,251	\$ 42,752	\$634,003
<u>22,921</u>	<u>0</u>	<u>22,921</u>
<u>\$614,172</u>	<u>\$ 42,752</u>	<u>\$656,924</u>

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Federal Grants	\$ 169,717	\$ 234,742
Cash Received From State Grants	180,101	158,044
Cash Received From Local Governments	39,848	45,227
Cash Received From Sales	62,927	66,767
Interest Received	1,873	697
Other Receipts	4,587	244
Donations Received	112,779	87,328
Cash Paid to Employees and Suppliers	<u>(511,382)</u>	<u>(525,635)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 60,450</u>	 <u>\$ 67,414</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Capital Assets	\$ (16,681)	\$ (8,247)
Increase in Certificates of Deposit	<u>(1,829)</u>	<u>(96,193)</u>
 NET CASH (USED) BY INVESTING ACTIVITIES	 <u>\$ (18,510)</u>	 <u>\$ (104,440)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 \$ 41,940	 \$ (37,026)
 CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	 <u>200,642</u>	 <u>237,668</u>
 CASH AND CASH EQUIVALENTS – END OF YEAR	 <u>\$ 242,582</u>	 <u>\$ 200,642</u>

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 64,667	\$ 29,136
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	23,077	22,921
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(26,168)	7,660
(Increase) Decrease in Accrued Interest Receivable	23	(263)
(Increase) in Prepaid Expenses	(41)	(32)
Increase (Decrease) in Accounts Payable	2,782	(662)
Increase in Salaries and Benefits Payable	1,639	4,926
Increase (Decrease) in Compensated Absences Payable	<u>(5,529)</u>	<u>3,728</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 60,450</u>	<u>\$ 67,414</u>

NON-CASH ACTIVITIES:

During the fiscal years June 30, 2013 and 2012, the Center received numerous donated services and materials that were used in the operations of the shelters.

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY - Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four county area through assistance of federal, state, and local funds. The Center merged its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA became the Executive Director of the new organization for the counties of Buena Vista, Cherokee, Clay, Dickinson, Emmet, Ida, Palo Alto, and Sac counties. A new board was formed from the two prior boards to govern the organization.

The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services. These services include a 24-hour crisis line, crisis counseling and advocacy for adults and children, support groups for adults and children, shelter, medical and legal advocacy, school outreach and violence prevention programs, community education and information programs, and professional education.

The Centers Against Abuse and Sexual Assault is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law which provide tax exemption for corporations organized and operated exclusively for religious, charitable or educational purposes. It is classified by the Internal Revenue Service as other than a private foundation.

The Center's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for nonprofit corporations.

BASIS OF ACCOUNTING – Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

BASIS OF PRESENTATION – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations. The Center's Board may designate portions of their unrestricted net assets for specific purposes, projects or investments as an aid in the planning of expenses and the conservation of assets. The Center maintains separate accounts for any designations within the unrestricted net assets and segregates the designated and undesignated portions of the fund within the net assets section of the Statement of Financial Position.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations. The temporarily restricted net assets account for all resources restricted by outside sources which can only be utilized in accordance with the purposes established by the sources of the funds. Generally, the donors of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

CASH AND CASH EQUIVALENTS - For purposes of the statement of cash flows, the Center considers savings accounts and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at June 30, 2013 and 2012.

GRANTS RECEIVABLE – Grants receivable consists of receivables for federal and state funds awarded to CAASA based on services performed.

PROPERTY AND EQUIPMENT – Property and equipment is stated at cost. Assets are depreciated over their estimated useful lives using the straight-line method for financial reporting and income tax purposes. Expenditures for maintenance and repairs are charged to expense as incurred. It is the Center's policy to capitalize property and equipment over \$500.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT (CONTINUED)

Depreciated costs, estimated lives, and depreciation expense as of and for the years ended June 30, 2013 and 2012 are as follows:

CLASSES OF ASSETS	<u>DEPRECIATED COSTS</u>		ESTI- MATED <u>LIVES</u>	<u>DEPRECIATION EXPENSE</u>	
	<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>
Land	\$108,000	\$108,000	-	\$ 0	\$ 0
Buildings and Improvements	385,531	406,009	10-40	20,478	20,377
Equipment and Furniture	<u>29,341</u>	<u>15,259</u>	5-7	<u>2,599</u>	<u>2,544</u>
	<u>\$522,872</u>	<u>\$529,268</u>		<u>\$ 23,077</u>	<u>\$ 22,921</u>

CONTRIBUTIONS - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

CAASA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CAASA also received donations of food and miscellaneous personal items for client use.

CONTRIBUTED SERVICES - A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Value of Contributed Services and an offsetting expense - Contributed Services. Donated services are required to meet match requirements of certain grants. For the years ended June 30, 2013 and 2012 CAASA recognized \$102,368 and \$84,949, respectively as the value of volunteer services.

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTED FACILITIES – CAASA occupied, without charge, certain premises located in a privately-owned building in Cherokee. No rent was paid by the Center. The estimated fair rental value is reported as contributions and expenses in the period in which the premises were used. For the years ended June 30, 2013 and 2012, CAASA recognized \$-0- and \$4,000, respectively as the value of contributed facilities.

CONTRIBUTED MATERIALS - A number of people and groups donate materials for clients in need of assistance. These would typically be purchased if not provided by donation and are recorded at their fair value in the period received. The value of donated materials is reflected in the financial statements as Value of Contributed Materials and an offsetting expense - Contributed Materials. For the years ended June 30, 2013 and 2012, CAASA recognized \$11,495 and \$11,459, respectively as the value of materials.

COMPENSATED ABSENCES - Center employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2013 and 2012.

DATE OF MANAGEMENT'S REVIEW - Management has evaluated subsequent events through November 4, 2013, the date which the financial statements were issued.

ESTIMATES - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONCENTRATIONS – The Center is heavily reliant on federal, state and local funding.

NOTE 2 – DESCRIPTION OF LEASING ARRANGEMENTS

Starting June 1, 2012, the Center renewed leased space for the Storm Lake office under an operating lease. The previous lease expired April 30, 2012, but the Center continued to rent the building at a higher rate until the new lease was signed. The lease is for three years, and it may be terminated by either party after one year. Rent payments at June 30, 2013 and 2012 are \$6,800 and \$6,800, respectively.

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 2 – DESCRIPTION OF LEASING ARRANGEMENTS (CONTINUED)

During the fiscal year ended June 30, 2012, the Center leased space for the Cherokee office under an operating lease. The lease is for five years, but it may be terminated by either party upon giving at least 60 days notice. Rent payments at June 30, 2013 and 2012 are \$1,938 and \$599, respectively.

Minimum future lease payments are as follows:

<u>YEAR ENDING JUNE 30,</u>	<u>AMOUNT</u>
2014	\$ 8,472
2015	7,922
2016	1,872
2017	<u>1,872</u>
TOTAL	<u>\$20,138</u>

The Center also rented storage units in Cherokee and Spencer. The operating lease expense is \$500 and \$500 for the years ended June 30, 2013 and 2012, respectively.

NOTE 3 - GOVERNMENT ASSISTANCE

During the years ended June 30, 2013 and 2012, the Center reported the following federal and state government support:

	<u>2013</u>	<u>2012</u>
Federal:		
Victims of Crime Act (VOCA)	\$106,719	\$164,935
Violence Against Women Act (VAWA)	20,645	15,162
Family Violence Prevention and Services Act (FV)	35,905	36,449
Sexual Abuse Services Program (SASP)	8,990	6,161
Integrated Services Project (ISP)	<u>10,192</u>	<u>0</u>
	<u>\$182,451</u>	<u>\$222,707</u>
State:		
Domestic Abuse (DA)	\$ 99,408	\$ 88,991
Sexual Abuse (SA)	61,159	58,108
Emergency Solutions Grant (ESG)	9,883	2,424
Shelter Assistance Fund (SAF)	13,446	0
Homeless Shelter Operations Grant Program (HSOG)	0	7,767
Prevent Child Abuse (PCA)	<u>13,359</u>	<u>3,725</u>
	<u>\$197,255</u>	<u>\$161,015</u>

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 4 – RETIREMENT PLAN

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA), a defined contribution retirement plan, which is available to all employees who have completed one year of service. The Center matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$5,515 and \$5,103 for the fiscal years ended June 30, 2013 and 2012, respectively.

NOTE 5 – RISK MANAGEMENT

Centers Against Abuse and Sexual Assault is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 – NOTE PAYABLE

The Center had a line of credit of \$50,000 at Farmers Trust and Savings Bank. It was dated January 7, 2009, and it matured on January 7, 2012. The interest rate was 5.25% per annum (prime + 2% with a 5% floor), and the unpaid balance at June 30, 2013 and 2012 was \$-0- and \$-0-, respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets totaled \$-0- and \$-0- as of June 30, 2013 and 2012, respectively.

Net assets were released from donor restrictions by satisfying the purpose specified by donors as follows:

	<u>2013</u>	<u>2012</u>
PURPOSE RESTRICTION ACCOMPLISHED:		
Specific Activity	\$ <u>0</u>	\$ <u>7,568</u>
TOTAL RESTRICTIONS RELEASED	\$ <u>0</u>	\$ <u>7,568</u>

NOTE 8 – BOARD DESIGNATED FUNDS

Assets of \$97,214 and \$95,690 as of June 30, 2013 and 2012, respectively, have been designated by the Board of Directors for operating contingencies and for the purchase of equipment and building improvements.

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 9 – FUND-RAISING

The Center held three major fund-raising events during the year ended June 30, 2013 in Cherokee County, Buena Vista County and Clay County. For the year ended June 30, 2012, four major fund-raisers were held in Buena Vista County, Clay County and Cherokee County. Fund-raising revenues and expenses for the years ended June 30, 2013 and 2012 were:

	<u>2013</u>	<u>2012</u>
Fund-Raising Revenues	<u>\$ 46,815</u>	<u>\$ 28,544</u>
Fund-Raising Expenses	<u>\$ 13,222</u>	<u>\$ 7,501</u>

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To The Board of Directors of
Centers Against Abuse and Sexual Assault**

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2013, and the related notes to financial statements, and have issued our report thereon dated November 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Center's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items A, B, and C to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in Centers Against Abuse and Sexual Assault's internal control described in the accompanying Schedule of Findings as items D and E to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centers Against Abuse and Sexual Assault's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Centers Against Abuse & Sexual Assault's Responses to Findings

Centers Against Abuse and Sexual Assault's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Centers Against Abuse & Sexual Assault's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Centers Against Abuse and Sexual Assault during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's


Certified Public Accountants

November 4, 2013

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

- A. **Segregation of Duties** – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control stand-point, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Center's financial statements. The Director of the Center may perform incompatible duties.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. We also realize the Center currently uses outside accounting services to better segregate accounting functions. However, the Center should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response – Centers Against Abuse and Sexual Assault has not been able to hire more staff. When the new staff is trained, that person will pick up and open the mail and log all checks/donations. Then the mail/donations/checks will be given to a 2nd person who will make the deposit and they will give documentation to the Director. This will give us another internal control. This will begin December 2, 2013.

Conclusion – Response accepted.

- B. **Grant Claims** – Grant claims and reimbursements received are not compared for discrepancies. Grant claims and amounts actually collected do not always match. Expense claim reports were not always accumulated correctly from one report to the totals on the next report. Also, grant claims were not submitted timely for various grants.

Recommendation – Grant receipts should be reviewed and any inconsistencies should be resolved. Total receipts for each grant should be compared to the grant award and the amounts claimed on the reimbursement claims filed for the grant year. Grant files should include signed and dated claim requests. Grant claims should be filed timely in order to obtain reimbursement.

Response – The new employee's job will be to submit and review grant claims and amounts. A new spreadsheet has been developed. The Director will review monthly all claims submitted and received. The Director's husband passed away at the time April's claims were due causing the delay in filing.

Conclusion – Response accepted.

**CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2013**

INTERNAL CONTROL DEFICIENCIES - Continued:

- C. **Minutes** – The board did not document the approval of all material transactions in the minutes.

Recommendation – Even if the board has given the director approval to reinvest CD's, the board should still approve all material transactions and have them documented in the minutes.

Response – This will be addressed by the board and will be documented in the future.

Conclusion – Response accepted.

- D. **Minutes** – The board did not consistently sign the minutes of the monthly meetings.

Recommendation – A board member should sign the minutes after they are approved the following month.

Response – This has been addressed and fiscal year 2014 board minutes have thus far all been signed.

Conclusion – Response accepted.

- E. **Misappropriation of Assets** – During a discussion with the director, she noted items donated to one of their stores had gone missing. The director addressed the situation and believes it was an isolated incident.

Recommendation – We would recommend having two employees sign each donation receipt when items are received. If this is not feasible, we suggest changing the times donors are allowed to leave donations to allow for two employees or volunteers to be available.

Response – The Thrift stores are open 6 hours per day with donations coming in at all of those times. We depend on the donations to keep the stores running. We will ask staff to check the donation slips daily and assess where the items are.

Conclusion – Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.